

Asteron Retirement Plus Personal Superannuation Plan

**Financial statements
for the financial year ended 31 December 2016**



Asteron Retirement Plus Personal Superannuation Plan

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Asteron Retirement Plus Personal Superannuation Plan

Statement of changes in net assets for the financial year ended 31 December 2016

	<i>Notes</i>	31 December 2016 \$000's	31 December 2015 \$000's
Investment revenue			
Gain on investments at fair value through profit or loss	5	1,395	3,842
Less: Administration and other expenses			
Administration fees		(100)	(114)
Insurance premiums paid		(10)	(11)
Total administration and other expenses	7	<u>(110)</u>	<u>(125)</u>
Surplus before Membership activities		<u>1,285</u>	<u>3,717</u>
Membership activities			
Members' contributions	6	1,805	2,011
Less: Benefits paid	8	(2,399)	(4,397)
Net Membership activities		<u>(594)</u>	<u>(2,386)</u>
Net increase in retirement benefits promised and allocated to Members' accounts		<u>691</u>	<u>1,331</u>

Statement of net assets as at 31 December 2016

		31 December 2016 \$000's	31 December 2015 \$000's
Investments - at fair value through profit or loss	12	40,252	39,561
Net assets available for benefits		<u>40,252</u>	<u>39,561</u>
Represented by:			
Liability for promised retirement benefits	9	<u>40,252</u>	<u>39,561</u>

These statements should be read in conjunction with the accompanying notes.

The Directors of the Trustee, Asteron Retirement Investment Limited, approved these financial statements for issue on 28 March 2017.

For and on behalf of the Trustee
Asteron Retirement Investment Limited



Director



Director

Asteron Retirement Plus Personal Superannuation Plan

Statement of cash flows for the financial year ended 31 December 2016

	<i>Notes</i>	31 December 2016 \$000's	31 December 2015 \$000's
Cash flows from operating activities			
Cash was provided from:			
Members' contributions		1,805	2,011
Cash was applied to:			
Benefits paid		(2,399)	(4,397)
Administration fees		(100)	(114)
Insurance premiums		(10)	(11)
		<u>(2,509)</u>	<u>(4,522)</u>
Net cash outflow from operating activities	10	<u>(704)</u>	<u>(2,511)</u>
Cash flows from investing activities			
Cash was provided from:			
Redemption of investments		2,509	4,522
Cash was applied to:			
Purchase of investments		(1,805)	(2,011)
Net cash inflow from investing activities		<u>704</u>	<u>2,511</u>
Net cash inflow from financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents		<u>-</u>	<u>-</u>
Opening cash and cash equivalents		-	-
Closing cash and cash equivalents		<u>-</u>	<u>-</u>

The statement of cash flows should be read in conjunction with the accompanying notes.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the financial statements for the financial year ended 31 December 2016

1. Reporting entity

Asteron Retirement Plus Personal Superannuation Plan (the **Scheme**) is a defined contribution superannuation scheme. The Scheme is registered as a restricted and legacy superannuation scheme under the Financial Markets Conduct Act 2013 (**FMCA**).

The Scheme is closed to new members.

Asteron Retirement Investment Limited (**ARIL**) is the Trustee and Manager of the Scheme. ARIL provides the benefits under the Scheme by investing members' contributions and accumulation value in unit linked policies issued by Asteron Life Limited (the **Policies**). The Policies are the Scheme's sole investments. Through the Policies, members can access a range of investment funds.

Asteron Life Limited (**Asteron**), as provider of the Policies, has appointed Suncorp Corporate Services Pty Limited (**SCS**) as the Investment Manager for the investment funds under the Policies. SCS has appointed Nikko Asset Management New Zealand Limited (**Nikko**) as the Sub-Investment Manager.

ARIL, Asteron and SCS are companies within the Suncorp Group, with Suncorp Group Limited as the ultimate parent. ARIL has delegated responsibility for management oversight of the Scheme to Suncorp New Zealand's (**SNZ**) Chief Executive Officer (**CEO**). The SNZ CEO is supported to execute this responsibility by SNZ's Asset and Liability Committee and its sub-committees.

The Scheme was established by a deed dated 14 February 1994, as amended by deeds of amendment dated 8 January 1998, 22 December 1999, 28 January 2000, 1 July 2003 and 19 February 2014 (the **Previous Deed**). The Previous Deed was amended by substituting the provisions of the Previous Deed with all the provisions of a deed dated 25 November 2016 (the **Trust Deed**), in connection with the transition of the Scheme to the FMCA.

The registered office of the Trustee and Manager is Asteron Centre, Level 13, 55 Featherston Street, Wellington 6011, New Zealand.

2. Basis of preparation

The financial statements of the Scheme have been prepared on the historical cost basis unless the application of fair value measurements are required by the relevant accounting standards, such as the measurement of financial instruments at fair value through profit or loss.

Under NZ IAS 26 *Accounting and Reporting by Retirement Benefit Plans*, the Scheme is classified as a "Defined Contribution Plan".

These financial statements are presented in New Zealand dollars, which is the Scheme's functional and presentation currency, unless otherwise stated. All values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated. The accompanying statement of net assets has been prepared using the liquidity format of presentation.

3. Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (**NZ GAAP**). They comply with the New Zealand equivalents to International Financial Reporting Standards (**NZ IFRS**) and other applicable Financial Reporting Standards as appropriate for a profit-oriented entity. The financial statements have been prepared in accordance with the requirements of the FMCA and the Financial Reporting Act 2013. They also comply with International Financial Reporting Standards (**IFRS**).

4. Significant accounting policies

(i) Financial instruments

The sole investments of the Scheme are the Policies. These investments are carried on the statement of net assets as financial instruments.

(a) Classification

The Scheme's financial assets are categorised as:

Financial assets held at fair value through profit or loss, which comprise:

Financial instruments designated at fair value through profit or loss upon initial recognition

Financial instruments designated at fair value through profit or loss upon initial recognition are those that are managed, and their performance evaluated, on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme's policy is for the Trustee to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the financial statements (continued)
for the financial year ended 31 December 2016

(b) **Recognition / derecognition**

All purchases and sales of financial assets that require delivery of the asset within the time frame established by regulation or market convention are recognised at trade date, being the date on which the Scheme commits to buy the asset.

Financial assets are derecognised when the rights to receive future cash flows from the assets have expired, or have been transferred, and the Scheme has transferred substantially all risks and rewards of ownership.

(c) **Measurement**

Fair value for the financial assets is determined as follows:

Financial assets held at fair value through profit or loss

Financial assets held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial assets.

Transaction costs on financial assets at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of changes in net assets.

Fair value in an inactive or unquoted market

The fair values of financial assets that are unquoted or not traded in an active market are determined using valuation techniques. Refer to note 4(x) for details of financial assets where fair values are determined using valuation techniques.

(d) **Income and expenses arising from financial assets held at fair value through profit or loss**

All investment income and investment expenses recognised in the statement of changes in net assets relate to financial assets at fair value through profit or loss.

(ii) **Changes in fair value / investment revenue**

Changes in fair value consists of realised and unrealised gains and are recognised in the statement of changes in net assets. Realised gains and losses are derived from the sale of investments. Unrealised gains and losses are calculated from the change in the fair value of investments held at balance date and the reversal of the prior year's unrealised gains and losses.

(iii) **Liability for promised retirement benefits**

The liability for accrued benefits is the Scheme's present obligation to pay benefits to Members and beneficiaries and has been calculated as the carrying amounts of the assets as at balance date. All promised retirement benefits have been allocated or were available for allocation to Members' accounts.

(iv) **Contributions and benefits**

Contributions are recognised when received by the Scheme. Benefits are recognised when they are due to be paid.

(v) **Asset and liability recovery and settlement periods**

The Scheme's assets comprise financial assets held to meet the liability for promised retirement benefits which are mostly expected to be settled more than twelve months after the balance date, given the retirement and savings nature of the Scheme.

(vi) **Tax**

The Scheme's income from the Policies is excluded income for tax purposes in accordance with the Income Tax Act 2007. The Scheme expenses are either non-deductible or the Scheme does not recognise the benefit of any tax losses arising from deductible expenses as it is not probable that future taxable profit will be available against which the losses can be utilised. Therefore, the Scheme has no income tax expense or income tax balances. The gain or loss on investments at fair value through profit or loss is net of tax paid within the Policies by Asteron.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the financial statements (continued) for the financial year ended 31 December 2016

(vii) **Cash and cash equivalents and statement of cash flows**

The following are the definitions of the terms used in the statement of cash flows:

- (a) Operating activities include all transactions and other events that are not investing activities.
- (b) Investing activities are those activities relating to the acquisition, holding and disposal of investments. Investments can include securities not falling within the definition of cash.

(viii) **New accounting standards and interpretations not yet adopted**

NZ IFRS 9 Financial Instruments was issued and introduces changes in the classification and measurement of financial assets and financial liabilities, impairment of financial assets and new rules for hedge accounting. This standard becomes mandatory for the Scheme's 31 December 2018 financial statements. The potential effects on adoption of the standard are currently being assessed. NZ IFRS 9 is available for early adoption but has not been applied by the Scheme in these financial statements.

(ix) **Critical accounting estimates and judgements**

The Scheme makes estimates and judgements that affect the reported amounts of assets and liabilities within the next financial period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(x) **Fair value hierarchy**

Financial assets that are recognised and measured at fair value are categorised by a hierarchy which identifies the most significant input used in the valuation methodology:

- Level 1 - derived from quoted prices (unadjusted) in active markets for identical financial instruments.
- Level 2 - derived from other than quoted prices included within Level 1 that are observable for the financial instruments, either directly or indirectly.
- Level 3 - fair value measurement is not based on observable market data.

The Scheme's investments in financial instruments are valued in accordance with Level 2 of this fair value hierarchy using unit prices determined by Asteron in respect of the investment funds under the Policies.

There have been no transfers between levels of the fair value hierarchy during the financial year ended 31 December 2016 or 31 December 2015.

5. Gain on investments at fair value through profit or loss

The gain on investments represents the realised and unrealised gains and losses on the Policies, using the unit prices determined by Asteron for the investment funds under the Policies. These gains and losses are net of tax and investment management expenses which have been deducted within the unit prices of the investment funds.

6. Members' contributions

	31 December 2016 \$000's	31 December 2015 \$000's
Regular contributions	1,805	1,911
Other contributions	-	100
Total Members' contributions	1,805	2,011

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Notes to the financial statements (continued)
for the financial year ended 31 December 2016

7. Administration and other expenses

The administration costs of the Scheme are the fees deducted directly from Members' accounts and paid to Asteron in accordance with the terms of the Policies.

Death and disability insurance premiums are deducted from Members' accounts and paid to the Asteron in accordance with the terms of the Policies.

Investment management costs are borne indirectly by the Scheme through the unit pricing for the investment funds under the Policies.

8. Benefits paid

	31 December 2016 \$000's	31 December 2015 \$000's
Death	5	189
Retirement	845	2,529
Surrenders	581	811
Partial withdrawals	968	868
Total benefits paid	<u>2,399</u>	<u>4,397</u>

Partial withdrawals represent benefits paid to Members who have not exited the Scheme.

9. Liability for promised retirement benefits

	31 December 2016 \$000's	31 December 2015 \$000's
Balance at beginning of period	39,561	38,230
Surplus before membership activities	1,285	3,717
Members' contributions	1,805	2,011
Benefits paid	(2,399)	(4,397)
Balance at end of the year	<u>40,252</u>	<u>39,561</u>

For information on guaranteed benefits and vested benefits refer to notes 14 and 15 respectively.

10. Reconciliation of net movement in retirement benefits promised and allocated to members' accounts to net cash flow from operating activities

	31 December 2016 \$000's	31 December 2015 \$000's
Net increase in retirement benefits promised and allocated to Members' accounts	691	1,331
Less items classified as investing activities:		
Gain on investments at fair value through profit or loss	(1,395)	(3,842)
Net cash outflow from operating activities	<u>(704)</u>	<u>(2,511)</u>

Asteron Retirement Plus Personal Superannuation Plan

Notes to the financial statements (continued)
for the financial year ended 31 December 2016

11. Risk management

As part of Suncorp Group Limited, SNZ, has adopted the Suncorp Group's Enterprise Risk Management Framework, policy and processes to identify and manage the exposure to key risks created by the use of financial instruments (credit risk, market price risk, and liquidity risk).

Underpinning all risk management activities are the following principles:

- A common language and approach to effectively embed risk management across the activities of the Scheme
- Risk management activities are as sophisticated as the risks they are designed to manage
- Regular updating of the risk profiles for all material risks inherent in activities of the Scheme
- Use of consistent methodology and clear ownership of risks
- Use of objective measurement of risk where appropriate
- The use of indicators and other reporting mechanisms to analyse risk

Risk management roles and responsibilities

The Boards of the relevant legal entities comprising SNZ are responsible for overseeing the processes used to identify, evaluate and manage the exposure to risks.

SNZ's Senior Leadership team is accountable for implementing and assessing the effectiveness of the processes used to identify, evaluate and manage risks.

SNZ's Senior Leadership team is supported by the SNZ Chief Risk Office which provides guidance and advice on risk and compliance matters.

Suncorp Group Limited internal audit is responsible for the independent review of risk management processes and internal control activities.

Financial risk management

The Scheme's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business and the operational risks are an inevitable consequence of being in business. The Scheme's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Scheme's financial performance.

The Scheme's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Scheme regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. The Scheme applies a look through approach to assessing risk to the extent of considering the investment funds under the Policies.

(i) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Scheme by failing to discharge an obligation. The Scheme is subject to credit losses in the event of non-performance by Asteron in respect of the Policies. Asteron has a credit rating of A+ as at 31 December 2016 (31 December 2015: A+).

The investment funds under the Policies are invested in a range of financial instruments including unit trusts managed by the Sub-Investment manager. The Scheme places reliance on the tactical and strategic limits in the investment policies of Asteron for the management of the credit risk in respect of these financial instruments.

The maximum exposure to credit risk of the Scheme's financial instruments as at both 31 December 2016 and 31 December 2015 is equal to their carrying amount.

(ii) Concentration of Credit Risk

While the sole investments of the Scheme are the Policies issued by Asteron, the investment funds under the Policies are invested in a range of financial instruments including unit trusts managed by the Sub-Investment Manager.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the financial statements (continued) for the financial year ended 31 December 2016

(iii) **Market risk**

Market risk is the risk that the fair value of the Scheme's investment portfolio will fluctuate as a result of changes in market prices. This risk is managed by ensuring that all activities are transacted within mandates, overall investment strategy and within approved limits.

Sensitivity analysis

If the prices of the unit trust investments under the Policies of the Scheme at balance date, had moved by 5%, with all other variables held constant, the impact in the statement of changes in net assets would have been as follows:

	31 December 2016 \$000's	31 December 2015 \$000's
5% increase in prices of unit trust investments	1,997	1,952
5% decrease in prices of unit trust investments	(1,997)	(1,952)

(a) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Movements in the New Zealand dollar may affect both the cash flows and market values of investments denominated in foreign currencies. Financial instruments may be entered into by Asteron in respect of the investment funds under the Policies to hedge currency risk associated with the holdings of foreign assets and the underlying foreign currency exposure of the investments held.

Financial instruments denominated in foreign currencies are held in respect of the investment funds under the Policies. The Scheme places reliance on the tactical and strategic limits in the investment policies of Asteron for the management of the currency risk in respect of these financial instruments.

Movement in currency exchange rates does not have a material impact on the market value of the Policies and the investment funds under the Policies as at either 31 December 2016 or 31 December 2015.

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme is indirectly exposed to interest rate risk through the investment funds under the Policies as these are revalued at market value on a continuous basis. There is no direct exposure to interest rate risk for the Scheme. The Scheme places reliance on the tactical and strategic limits in the investment policies of Asteron for the management of the interest rate risk in respect of these financial instruments.

(iv) **Liquidity risk**

Liquidity risk is the risk that the Scheme is unable to meet its payment obligations associated with its financial liabilities when they fall due. The consequence may be the failure to meet obligations to repay Members. Liquidity risk is managed by Asteron maintaining sufficient liquid investment assets in the investment funds underlying the Policies to meet anticipated levels of benefit payments to Members.

There are no material restrictions on the redemption of Policies and they are redeemable for cash at any time subject to the customary approval of the Trustee under the Trust Deed.

(v) **Capital risk management**

The Scheme's objectives when managing capital are to provide returns for members through capital growth and income. The Scheme does this by providing members with a diversified portfolio of investment funds under the Policies.

The Scheme undertakes to invest the contributions and accumulation value of members in investments that meet the Scheme's objectives while maintaining sufficient liquidity to meet member withdrawals.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the financial statements (continued) for the financial year ended 31 December 2016

12. Related parties

ARIL and Asteron are companies within the Suncorp Group, with Suncorp Group Limited as the ultimate parent. The Trustee of the Scheme is ARIL.

The investments of the Scheme are solely the Policies issued by Asteron with a value of \$40,251,879 at 31 December 2016 (31 December 2015: \$39,561,548).

The Trustee received no remuneration from the Scheme during this and the previous year.

Audit fees for the Scheme are paid by Asteron. The audit fee for the year ended 31 December 2016 is \$24,000 (31 December 2015: nil).

The Scheme does not have its own operating bank account; all inwards and outwards cash flows through Asteron.

Administration fees and death and disability insurance premiums are deducted from Members' accounts and paid to Asteron under the terms of the Policies for the amounts disclosed as administration and other expenses in the statement of changes in net assets. In addition, fees for investment management are charged indirectly by Asteron through the unit pricing for the investment funds under the Policies.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Scheme. This comprises the directors of ARIL and the SNZ CEO. The Scheme has had no transactions or balances with the key management personnel during the year ended 31 December 2016 (31 December 2015: nil).

13. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments as at 31 December 2016 (31 December 2015: nil).

14. Guaranteed benefits

No guarantees have been made in respect of any part of the liability for promised retirement benefits as at 31 December 2016 (31 December 2015: nil).

15. Vested benefits

Vested benefits equate to the total promised retirement benefits in the Scheme as at balance date. Under the conditions of the Scheme, vested benefits are not conditional on continued Membership.

16. Funding arrangement

Each Member contributes on the basis specified in their application form or as agreed thereafter with the Trustee. There are no mandatory contributions or restrictions.

17. Unit pricing information for the Asteron investment funds accessed by the Scheme through the Policies

Unit prices at the beginning and end of the financial year were:

	31 December 2016 Unit Price \$	31 December 2015 Unit Price \$
Aggressive	3.52330	3.45267
Conservative	3.51996	3.41905
European Equity	2.74537	2.88566
International	3.13990	3.10218
Managed Money	8.59688	8.33111
North American Equity	4.08880	4.02190
NZ Equity	3.68579	3.38106
NZ Fixed Interest	11.78938	10.85678
	5.68553	5.56459

18. Events occurring after balance date

There is no matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may significantly affect the Scheme's operations, the results of those operations, or the Scheme's state of affairs as at 31 December 2016.



Independent Auditor's Report

To the Trustee and the members of Asteron Retirement Plus Personal Superannuation Plan

Report on the financial statements

Opinion

In our opinion, the accompanying financial statements of Asteron Retirement Plus Personal Superannuation Plan (the Scheme) on pages 1 to 9:

- i. present fairly in all material respects the Scheme's financial position as at 31 December 2016 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statement of net assets as at 31 December 2016;
- the statement of changes in net assets, and statement of cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISA's (NZ)). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Scheme in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISA (NZ) are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the Scheme.



Other Information

The Trustees, on behalf of the Scheme, are responsible for the other information included in the entity's Annual Report. Other information may include the disclosures relating to corporate governance and statutory information. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The financial statements of Asteron Retirement Plus Personal Superannuation Plan, for the year ended 31 December 2015, were not audited.

Use of this Audit Report

This report is made solely to the Trustee and the members as a body. Our audit work has been undertaken so that we might state to the Trustee and the members those matters we are required to state to them in the Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee and the members as a body for our audit work, this report, or any of the opinions we have formed.

Responsibilities of Trustees for the financial statements

The Trustees, on behalf of the Scheme, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



x **Auditor's Responsibilities for the Audit of the financial statements**

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Independent Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page2.aspx.

This description forms part of our Auditor's Report.

Paul Herrod

For and on behalf of
KPMG
Auckland

28 March 2017